HUNTINGTON EXPLORATION INC.

ANNUAL REPORT
1999

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Corporate Profile

Huntington Exploration Inc. is in the business of mineral exploration and development in Canada. The shares of Huntington are listed on the Canadian Venture Exchange and trade under the symbol "HEI".

Corporate History

Huntington Exploration Inc. (the Company) was incorporated as 676182 Alberta Ltd. under the laws of Alberta by Articles of Incorporation dated November 28, 1995. On February 1, 1996 the Company changed its name to Goldust Mines Ltd. and subsequently, on July 18, 1997 changed its name to Huntington Exploration Inc. The Company adopted the French name equivalency of Exploration Huntington Inc. on the same date. Pursuant to an agreement between the Company and Croinor Explorations Inc., the Company purchased a portfolio of 12 mineral properties in Canada. The acquisition, which closed on March 29, 1996, included a 50-percent interest in the Croinor gold property located near Val d'Or, Quebec. On April 14, 1996 the Company acquired the remaining 50-percent interest in the Croinor property from Cambior Inc. From mid-1996 through to the spring of 1997, the Company completed a 50,000 ton open pit bulk sampling project on the Croinor property producing 5,332 ounces (oz.) of gold. Three of the Company's principal gold properties were under option to industry partners for further exploration and development for various periods in the last four years.

NOTICE OF ANNUAL GENERAL MEETING

Shareholders are invited to attend the Annual General Meeting on Thursday, June 29, 2000 at 11:00 a.m. in the Hamilton Room of the Bow Valley Square Conference Center, Third Floor, 205 - 5 Avenue S.W., Calgary, Alberta.

REPORT TO SHAREHOLDERS

HUNTINGTON CONTINUED TO OPERATE in the Canadian mineral exploration business in 1999. Revenue for the twelve months ended December 31, 1999 was $93,000 compared to revenue of $142,000 in 1998. Cash flow from operations was ($136,900) or ($0.01) per share for the period compared to $85,000 or $0.01 per share for 1998 while the loss was $113,000 or $0.01 per share for 1999 compared to $163,000 or $0.02 per share in the previous year. Throughout 1999, Huntington continued to conserve cash resources, held overhead expenses to a minimum and limited property holding and acquisition costs. No mineral exploration was carried out on the Company's properties during 1999.

In August, 1997 the Company entered into an option agreement with South-Malartic Explorations Inc. respecting the Croinor gold property (100 percent Huntington) located near Val d'Or, Quebec. South-Malartic have the right to earn a 70-percent interest in the property by incurring exploration expenditures of $1,500,000 over a six year period. South-Malartic have reported expending $173,560 on the Croinor property as of February 16, 1999. The Croinor property remains a valuable asset to the Company, with significant gold reserves and potential for further exploration to define additional reserves.

The Macassa Creek and Missing Lake gold prospects, located in the Mishibishu Lake Area of N.W. Ontario (100 percent Huntington) were optioned to Murgor Resources Inc. in May, 1996. Murgor have the right to earn a 50-percent interest in these properties by incurring exploration expenditures of $460,000 over a four-year period. Murgor began their program in the fall of 1996 and have reported expending a total of $377,924 on the two prospects as of July 31, 1999.

The Company's other six mineral exploration properties, located in Quebec, Ontario, Nova Scotia and Northwest Territories, were inactive in 1999.

With the prevailing low price of gold throughout 1999 and into 2000, the Company continued to seek industry partners to option the Company's properties and conduct further exploration and development to enhance their value. In addition, Huntington has sought out other opportunities for the diversification of the Company's operations.

On behalf of the Board,

John A. Pope, P.Eng.
President
May 5, 2000
Calgary, Alberta

REVIEW OF MINERAL PROPERTIES

HUNTINGTON HAS NINE MINERAL PROPERTIES in Canada. The properties have undergone geological investigations ranging from grassroots to extensive in previous years.

Croinor Property - Quebec

The Croinor property is located approximately 55 kilometres east of Val d'Or, Quebec and consists of 139 claims covering 2,197 hectares (100 percent Huntington). The Croinor property has been explored intermittently over the years, both from the surface and underground, commencing in 1944 and continuing through to 1996 when a bulk sample was extracted from surface. An independent evaluation of the underground potential for the Croinor property was prepared by Bharti Engineering Associates Inc. in an August 1996 report which determined the underground mineable reserve is 335,386 oz at 0.16 oz of gold per ton. This reserve value has been determined pursuant to the National Policy 2A definition.

Active open-pit mining was undertaken in mid-1996 to extract a 50,000 ton bulk sample. The bulk sampling was completed by the end of April 1997, yielding 5,332 oz of gold. The majority of the ore was processed through the AurBel Mill near Val d'Or which yielded a 97 percent gold recovery. The overall grade of the bulk sample was 2.94 grams per ton (g/t) which is equivalent to 0.095 oz per ton.

In August 1997, the Company entered into an option and joint venture agreement with South-Malartic Explorations Inc. South-Malartic have the right to earn a 70-percent interest in the Croinor property, by incurring exploration expenditures of $1,500,000 over a six-year period.

Tex-Sol - Quebec

The Tex-Sol property is located approximately 18 kilometres east of Val d'Or, Quebec. The property (100 percent Huntington) consists of 10 claims covering an area of approximately 600 hectares. The Tex-Sol property is located within the same Greenstone Belt as past and producing mines in the general area.

El Sol Gold Mines Ltd. initially explored the Tex-Sol property from 1946 to 1948. The property remained inactive until 1986 when Dominion Explorers Inc. evaluated the grounds with geological mapping, ground geophysical surveys, and 16 diamond drill holes. Potential exists to discover economic mineralization within the sector that lies down plunge from the known ore at the adjacent Louvicourt Goldfield.

In November 1997, Huntington entered into an option agreement with Aur Resources Inc. Aur had the right to earn a 51 percent interest in the Tex-Sol property by incurring exploration expenditures of $500,000 over a three-year period, with a firm commitment to spend $200,000 in the first year. Aur did not continue with the option beyond the first year after incurring expenditures in excess of $200,000.

Macassa Creek/Missing Lake, Mishibishu Lake Area, Ontario

The Macassa Creek property (100 percent Huntington) is comprised of 148 contiguous claims, 124 of the claims are subject to a $1^1/_2$ percent net smelter return. The property was optioned to Noranda Exploration Co. Ltd. between 1988 and 1990. The Missing Lake property is located along the same geological Greenstone Belt as Macassa Creek and consists of 46 contiguous claims (100 percent Huntington in 45 claims, 50 percent in one claim).

On May 16, 1996 the Company entered into an agreement with Murgor Resources Inc. to option both the Macassa Creek and Missing Lake properties. Pursuant to this agreement Murgor must incur a total of $460,000 in exploration expenditures over a four-year period to earn a 50-percent interest. These properties are located approximately 80 kilometres southeast of the Hemlo Gold Mines in the Mishibishu Lake area, Ontario.

In March 1998, Murgor announced the results of their initial diamond drilling program on the Murgor and Huntington properties along the Dorset Zone. This is located six kilometres north of the Eagle River Gold Mine in the Mishibishu River area. The drilling results were considered most encouraging along part of the zone which had been traced for three kilometres. Further in August 1998, Murgor announced that a letter of agreement had been signed with Battle Mountain Canada Ltd., whereby Battle Mountain can earn an interest in a portion of Murgor's Mishi Creek Property.

In February 1999, Murgor announced that Battle Mountain had completed a sixteen hole, 288 meter drilling program, in December 1998, on Murgor's Mishi Creek Property. Battle Mountain reports, quote, "The results from the 1998 drill program continue to indicate that the Dorset Zone is a significant gold bearing horizon. This zone has now been tested along a strike length of at least 2.0 kilometres and drilling has encountered broad altered intervals that contain anomalous quantities of gold over significant widths. To date, the surface work and drilling have located "near" ore grade intersections at two separate locations 500 metres apart. Further drilling is required to gain a better understanding of this zone and its economic potential".

West Gore, Nova Scotia

The West Gore Property (100 percent Huntington) is located in Hants County and is comprised of 16 claims of which 12 are subject to a 10 percent net profits interest. The area has been explored and exploited for antimony and gold since the discovery of the main deposit in the early 1880s.

Fairbank, Ontario

The Fairbank Property is located near Sudbury. The Company's 100 percent interest in the property was transferred to Falconbridge Limited in 1989. Falconbridge is required to pay an advance royalty payment to the Company of $5,000 per year until the year 2008. The Company will receive a two percent net smelter return royalty from any future production on the property. The property contains the potential for large deep nickel deposits.

Sturgeon Lake, Ontario

The Sturgeon Lake Property is located near Thunder Bay. The Company has a 33 percent interest in this 80 claim property, which is operated by Minnova Inc.

Cape Smith, Quebec

Energold Minerals Inc. is the operator of this property located on the north end of the Ungava Peninsula. Huntington holds a 13 percent interest in the Cape Smith Property. Marginal nickel-copper mineralization has been found on this property.

Labine Point, NWT

The Company holds a 50 percent interest in three mining leases at Labine Point, Great Bear Lake, NWT, under lease to 2002. Falconbridge Ltd., as operator of the leases, holds the remaining 50 percent interest. Over the period 1974 to 1981, Echo Bay Mines Ltd., who owned and operated the adjoining Eldorado Silver-Uranium Mine, optioned the property and carried out exploration consisting of geophysics and diamond drilling.

MANAGEMENT'S DISCUSSION AND ANALYSIS

THROUGHOUT 1999, THE COMPANY conserved its cash resources, kept overhead to a minimum and did not incur any exploration expenditures other than lease and claim renewal and maintenance costs on its own properties. The Mishibishu Lake Area properties, Macassa Creek and Missing Lake, have been under option to Murgor Resources Inc. since May 1996. The Croinor property was optioned to South-Malartic Explorations Inc. in August 1997. These companies have the option to spend their funds on exploration on each property to earn an interest. These properties remain in good standing and will contribute to the future growth and benefit of the Company.

Revenue and Expenses

Revenue for the twelve months ended December 31, 1999 was $93,286, compared to revenue of $142,175 in 1998. Cash flow from operations was ($136,871) or ($0.01) per share for the period compared to $84,834 or $0.01 per share for the prior year while the loss was $113,313 or $0.01 per share in the year 1999 compared to $163,127 or $0.02 per share in 1998.

Total expenses for the year were $206,599 ($305,302 in 1998). Mining exploration costs were $28,110. Depreciation on office and other equipment was $6,844. General and administration expenses were $135,747 and consisted mainly of consulting fees, travel, share transfer services and office expenses. The write-down on investments was at $33,625 while interest expense was $2,273.

Financial Position

Equipment remaining from the Croinor bulk sample in 1997 was sold during 1999, realizing proceeds of $144,150.

Long-term debt in the amount of $103,114 relates to the acquisition of the mineral properties from Croinor Explorations Inc. in 1996. The current portion of the long-term debt was eliminated in 1999 ($26,305 in 1998). This involved a lease/purchase contract incurred as a result of the purchase of equipment acquired to undertake the Croinor bulk sample.

At the end of the year, the Company had $506,833 ($484,538 in 1998) in cash and deposits and $154,270 ($202,895 in 1998) in marketable securities.

MANAGEMENT'S REPORT

The accompanying financial statements of Huntington Exploration Inc. have been prepared by management in accordance with generally accepted accounting principles.

The Company's accounting procedures and related systems of internal control are designed to provide reasonable assurance that its assets are safeguarded and its financial records are reliable. Management is satisfied that these financial statements have been prepared accordingly and within reasonable limits of materiality. Further, management is satisfied that the financial information through the balance of this report is consistent with the information presented in the financial statements.

KPMG LLP, independent auditors, have been appointed by the shareholders of Huntington. They have examined the financial statements of the Company for the year ended December 31, 1999 and the auditors' opinion is expressed herein.

The Audit Committee have reviewed these statements with management and the auditors have reported to the Board of Directors. The Board of Directors have approved the financial statements.

John A. Pope, P.Eng. President and Chief Executive Officer	Andrew S. Burgess, C.A. Vice President and Chief Financial Officer

AUDITORS' REPORT

To the Shareholders of Huntington Exploration Inc.

We have audited the consolidated balance sheets of Huntington Exploration Inc. as at December 31, 1999 and 1998 and the consolidated statements of operations and deficit and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 1999 and 1998 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

KPMG LLP

Chartered Accountants
Calgary, Canada
January 19, 2000

Consolidated Balance Sheets

December 31, 1999 and 1998

	1999	1998
ASSETS		
Current assets:		
Cash and short-term deposits	**$ 506,833**	$ 484,538
Investments (market value 1999 - $172,810; 1998 - $224,070)	**154,270**	202,895
Accounts receivable	**5,288**	7,626
	666,391	695,059
Mineral properties (note 3)	**881,901**	881,901
Capital assets (note 4)	**15,967**	133,061
	$ 1,564,259	$ 1,710,021
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued liabilities	**$ 16,762**	$ 22,906
Current portion of long-term debt (note 5)	**-**	26,305
	16,762	49,211
Long-term debt (note 5)	**103,114**	103,114
Provision for site restoration	**66,000**	66,000
Shareholders' equity:		
Share capital (issued 10,510,392 shares) (note 7)	**4,481,920**	4,481,920
Deficit	**(3,103,537)**	(2,990,224)
	1,378,383	1,491,696
Future operations (note 2)		
	$ 1,564,259	$ 1,710,021

See accompanying notes to consolidated financial statements.

Approved by the Board:

Director

Andrew A. Burgess

Director

Consolidated Statements of Operations and Deficit

Years ended December 31, 1999 and 1998

	1999	1998
Revenue:		
Investment income	**$ 29,259**	$ 31,494
Gain on sale of capital assets	**33,900**	110,681
Gain on sale of investments	**30,127**	-
	93,286	142,175
Expenses:		
General and administrative	**135,747**	139,154
Write-down of investments	**33,625**	49,651
Mineral exploration costs (recoveries)	**28,110**	(196,493)
Interest	**2,273**	3,999
Depreciation	**6,844**	14,313
Write-down of mineral properties	**-**	294,678
	206,599	305,302
Net loss for the year	**(113,313)**	(163,127)
Deficit, beginning of year	**(2,990,224)**	(2,827,097)
Deficit, end of year	**$ (3,103,537)**	$ (2,990,224)
Loss per share	**$ (0.01)**	$ (0.02)

See accompanying notes to consolidated financial statements.

Consolidated Statements of Cash Flows

Years ended December 31, 1999 and 1998

	1999	1998
Cash flow provided by (used in) operating activities:		
Net loss for the year	$ (113,313)	$ (163,127)
Items not involving cash:		
Depreciation	6,844	14,313
Write-down of investments	33,625	49,651
Write-down of mineral properties	-	294,678
Gain on sale on investments	(30,127)	-
Gain on sale of capital assets	(33,900)	(110,681)
Cash flow from operations	(136,871)	84,834
Changes in non-cash working capital:		
Accounts receivable	2,338	49,684
Accounts payable and accrued liabilities	(6,144)	(115,701)
	(140,677)	18,817
Financing:		
Repayment of long-term debt	(26,305)	(60,202)
Investments:		
Proceeds on disposition of investments	54,377	-
Proceeds on disposition of capital assets	144,150	280,511
Option payments received on mineral properties	-	75,000
Acquisition of mineral properties	-	(13,902)
Acquisition of investments	(9,250)	(252,546)
	189,277	89,063
Increase in cash and cash equivalents	22,295	47,678
Cash and cash equivalents, beginning of year	484,538	436,860
Cash and cash equivalents, end of year	$ 506,833	$ 484,538

Cash and cash equivalents is comprised of:

	1999	1998
Cash	$ 63,877	$ 42,530
Short term deposits	442,956	442,008
	$ 506,833	$ 484,538

See accompanying notes to consolidated financial statements.

Notes to Consolidated Financial Statements

Years ended December 31, 1999 and 1998

1. INCORPORATION:

The Company is incorporated under the laws of the Province of Alberta.

2. SIGNIFICANT ACCOUNTING POLICIES:

(a) Future operations:

The Company has a reasonable expectation that it has adequate resources to continue for the foreseeable future, and accordingly, these financial statements have been prepared on a going concern basis, although additional capital and further business development may be required to achieve profitable operations and positive cash flows on a commercial scale.

(b) Investments:

Investments are stated at the lower of cost and market.

(c) Mineral property interests:

Costs of acquiring mineral properties are deferred until either commercial production is established or the property is abandoned; at that time the costs will be either amortized on a unit of production basis or fully charged to operations.

Proceeds fróm sale of properties and earn-in arrangements in which the Company has retained an economic interest are credited against property costs and no gain is recorded until all costs have been fully recovered. Periodically, a determination is made by management as to the status of each property. Where a property shows no promise from prior exploration results and is dormant, the claims may be allowed to lapse. At management's discretion, the properties or costs are written off or written down to a nominal value where an interest in claims remains. Management also periodically determines if an exploration property is impaired and whether the carrying value of such property should be written-down and whether exploration costs incurred should be charged against earnings rather than being deferred.

Amounts recorded for mineral properties represent costs incurred to date, net of writedowns, and are not intended to reflect present or future values. The recoverability of amounts shown for mineral properties is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain necessary financing to complete the development, and future profitable production or proceeds from the disposition thereof.

(d) Capital assets:

Capital assets are stated at their cost. Depreciation is provided by the declining balance method at 30% per annum.

(e) Provision for site restoration:

The provision relates to the Croinor property and is the total estimated liability to restore the site.

(f) Loss per share:

Loss per share is calculated based on the weighted average number of shares outstanding during the year.

(g) Cash and cash equivalents:

Cash and cash equivalents is defined to include short term deposits with maturities less than 90 days.

(h Measurement uncertainty:

The amounts recorded for depreciation of capital assets, the provision for future site restoration, write down on mineral properties and write down on investments are based on estimates. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be significant.

3. MINERAL PROPERTIES:

Mineral properties consist of the following:

		1999		1998
Croinor	$	**656,901**	$	656,901
Tex-Sol		**100,000**		100,000
West Gore		**25,000**		25,000
Macassa Creek		**50,000**		50,000
Missing Lake et al		**50,000**		50,000
	$	**881,901**	$	881,901

The Company has interests in the following properties:

(a) Croinor Property, Pershing Township, Quebec:

The Company owns a 100% interest in 139 mineral claims. Five of the claims are subject to a 10% after-payout net profits interest, 92 claims are subject to a 10% after pay-out net profits interest on a 50% interest in the claims and the remaining 50% interest is subject to 5% after-payout net profits interest and 42 claims are subject to a net smelter return of 1.5%. In August 1997, the Company entered into an Option Agreement with South-Malartic Exploration Inc. South-Malartic Exploration has the right to earn a 70% interest in the property by incurring exploration expenditures of $1,500,000 over six years. South-Malartic Exploration has reported expending $173,560 as of February 16, 1999.

(b) Tex-Sol Property, Bourlamaque, Quebec:

The Company owns a 100% interest in 10 claims.

(c) West Gore, Hants Country, Nova Scotia:

The Company owns 100% in an exploration license comprising 16 claims, subject to a 10% net profits interest.

(d) Macassa Creek, David Lakes, Pukaskwa River and Mishubishu Lakes Townships, Ontario:

The Company owns a 100% interest in 148 mineral claims. Of these claims 124 are subject to a 1.5% net smelter return royalty. On May 16, 1996 the Company entered into an Option Agreement with Murgor Resources Inc. Pursuant to the agreement Murgor must incur a total $300,000 in exploration expenditures over a four year period to earn a 50% interest in these claims. Murgor has reported expending $235,580 on the Macassa Creek Property to July 31, 1999.

(e) Missing Lake, Point Isacor and Mishubishu Township, Ontario:

The Company owns a 100% interest in 46 mineral claims.On May 16, 1996 the Company entered into an Option Agreement with Murgor Resources Inc. Pursuant to this agreement Murgor must incur a total of $150,000 in exploration expenditures over a four year period to earn a 50% interest in 45 of these claims and they have reported expending $112,004, including a 10% admininstration allowance, on these 45 claims to July 31, 1999. They were required to incur a total of $10,000 in exploration expenditures over a two year period to earn a 50% interest in one of these claims. Murgor has fulfilled their obligation in respect to the latter claim and now holds a 50% interest having reported expending $30,340 on the single claim.

4. CAPITAL ASSETS:

		1999		1998
Mining equipment	$	**20,000**	$	245,000
Office and other equipment		**45,818**		45,818
		65,818		290,818
Accumulated depreciation		**49,851**		157,757
	$	**15,967**	$	133,061

At December 31, 1998, the Company had mining equipment with a book value of $110,250 under capital lease.

5. LONG-TERM DEBT:

		1999		1998
Capital lease	$	-	$	26,305
Note payable		**103,114**		103,114
		103,114		129,419
Principal payments due within one year		-		26,305
	$	**103,114**	$	103,114

The obligations under the capital lease are as follows:

		1999		1998
1999	$	-	$	-
2000		-		26,751
		-		26,751
Less interest		-		(446)
	$	-	$	26,305

Note payable is without interest or fixed terms of repayment.

6. INCOME TAXES:

At December 31, 1999, the Company had estimated income tax losses and resource deductions of approximately $11,152,000 (1998 - $11,125,010) available to reduce future taxable income. Losses of $360,760, $60,458 and $88,795 do not expire before 2004, 2005 and 2006 respectively.

7. SHARE CAPITAL:

(a) Authorized:

The authorized share capital consists of an unlimited number of common shares and an unlimited number of preferred shares issuable in series.

(b) Stock options:

During 1998 stock options were purchased by the Company for $32,000 and cancelled.

8. FINANCIAL INSTRUMENTS:

The carrying amount of short-term deposits, accounts receivable and accounts payable approximate the fair value because of the near-term maturity of those instruments.

The fair value of marketable securities is assumed to be equal to the market value of securities which is disclosed on the face of the consolidated balance sheet.

The fair value of long term debt is not practicably determinable as it is non-interest bearing with no fixed terms of repayment.

CORPORATE INFORMATION

DIRECTORS

Andrew S. Burgess
Vice-President,
Huntington Exploration Inc.

John A. Pope
President,
Huntington Exploration Inc.

C. Alan Smith
President,
Aeonian Capital Corporation

William H. Smith, Q.C.
Partner,
McCarthy Tétrault
Barristers & Solicitors

OFFICERS

C. Alan Smith
Chairman

John A. Pope
President and Chief Executive Officer

Andrew S. Burgess
Vice President and Chief Financial Officer

William H. Smith, Q.C.
Corporate Secretary

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